

332.15
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v.41

MANAGING DIRECTORS

December 31, 1910

BERLIN:

ARTHUR VON GWINNER,
CARL KLÖNNE,

E. HEINEMANN,
PAUL MANKIEWITZ,
GUSTAV SCHRÖTER.

DR. KARL HELFFERICH,
CARL MICHALOWSKY,

Alternates,

B. NAPHTALI,
A. BLINZIG,
F. LEHMANN,
H. SCHMIDT,

DR. JUR. A. WOLFF,
W. FELS,
G. MEISNITZER,
K. SOFFNER.

G. KRANER,
F. NEEFF,

BREMEN:

E. KRUG, A. VON RÖSSING.
Alternates, F. BULTMANN, M. KOEPKE.

DRESDEN:

P. MILLINGTON-HERRMANN, C. BEHREND, W. OSSWALD.

FRANKFORT o/M.:

H. MAIER. *Alternate,* DR. JUR. A. VON HEYDEN.

HAMBURG:

V. KOCH, R. W. BASSERMANN, K. VON SYDOW.

LEIPSIK:

E. SCHULZ, E. NAUMANN, DR. C. SCHÖNFELD.

LONDON:

M. RAPP, O. ROESE,
H. A. SMART, W. PANNENBORG.
Alternate, ED. BITTER.

MUNICH:

L. REBEL, O. ECKE.

NUREMBERG:

A. HOPPE. *Alternate,* L. RUPPRECHT.

BRUSSELS:

H. VON HAUFF. *Alternate,* H. DUFER.

CONSTANTINOPEL:

O. KAUFMANN. *Alternate,* A. VON HAAS.

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DEUTSCHE BANK.

BERLIN, February, 1911.

The favorable development of trade alluded to in our last report has made further progress in the course of the year under review—the forty-first of the Bank's existence.

GENERAL CONDITIONS.

After the severe commercial crisis of 1907, the depressing effects of which reached to all quarters of the globe, the business world stood in need of a period of repose in order that it might gradually recover from the economic disturbances to which it had been exposed. While in Europe the conditions prevailing were all that could be desired in that respect, the United States witnessed an outburst of premature optimism as early as 1909, from which a reaction of considerable magnitude became the inevitable consequence. During the first six months of 1910, New York stock quotations showed a decrease of more than 2,000 million dollars in share values. Extensive retrenchments followed, and these, combined with a considerable improvement in the balance of trade, have now placed economic life in the United States—which is exercising an increasing influence on that of Europe—also on a sounder basis.

NATIONAL WEALTH.

Germany was spared such violent fluctuations. A good crop of cereals and widening outlets for German products to foreign markets favored activity in the home and export trade, although in many instances the prices realized have left but a moderate profit to producers.

The national wealth of Germany is not yet on a level with that of Great Britain or France, but Germany compared with other European nations now possesses a national income second only to that of England.

Germany's output of iron and steel is nearly as large as that of Great Britain and France taken together; it is still surpassed, however, by the output of the United States, which amounts to about twice as much.

The German bank rate averaged 4.346 per cent., as against 3.92 per cent. in the preceding year, thus showing a rise of 0.426 per cent., while the private rate of discount in Berlin rose from 2.87 in 1909 to an average of 3.54 per cent. in the year under review. These

higher rates give evidence of increased business activity and of the consequent enhanced demand for capital.

Savings also have reached figures which a generation ago would scarcely have been thought possible. Deposits in German savings banks are eight times as much as in 1875, and now amount to from three and three-quarters to four billion dollars.

The German stock market absorbs every year considerably more than \$710,000,000 of new securities, of which 10 to 20 per cent. are of foreign origin.

FOREIGN INVESTMENTS.

These foreign investments have become a necessity for Germany's economic system. Frequently, and especially in times when high rates of interest prevail, such securities prove serviceable in adjusting Germany's financial relations with foreign markets. Notwithstanding a few regrettable losses, which were sustained more than twenty years ago by reason of the non-fulfillment of obligations assumed by foreign governments, the average result of German investments in foreign securities is exceedingly favorable, and, as can be shown, has enhanced the national wealth by many hundreds of millions of marks.

Although our activity in issuing new securities is principally and preferably directed toward domestic issues, the Deutsche Bank, after careful investigation and deliberation in each instance, has participated in the introduction of a moderate amount of foreign securities, and may point to the fact that for a long period of years not a single security of foreign origin which it has introduced at German stock exchanges, has been in distress. But even from bonds which defaulted twenty years ago, Germany's wealth has greatly increased, as was the case with the securities of the Northern Pacific Railroad, the larger part of which has long since gone back to the issuing country with considerable advantage to the German holders, or may be profitably sold to America at any time.

FOREIGN COMMERCE.

Preliminary statistics show German imports (excluding precious metals) to have increased by over \$19,000,000 and exports by over \$208,000,000, and further that Germany now takes the second place in the world's trade. The figures for 1910 in millions of dollars (excluding precious metals) were approximately:

<i>Foreign Commerce</i>	<i>England</i>	<i>Germany</i>	<i>United States</i>	<i>France</i>
Imports	\$2,788	\$2,050	\$1,562	\$1,307
Exports	2,088	1,777	1,864	1,161
Totals	\$4,876	\$3,827	\$3,426	\$2,468

The above figures do not include reexports, which, for instance, in Great Britain alone amount to \$506,000,000.

Imports of gold exceeded the exports by about \$43,000,000, thus showing that the balance of payments continued to remain in favor of Germany.

GOVERNMENT BONDS.

The decline in the quotations for German Government securities, which has been the subject of much discussion during the last year, has given way to a slow but healthy improvement in prices, thanks to the more considerate treatment of the market and the announcement that no new issues of Imperial Loans and Prussian Consols are expected to be introduced at the Bourses in the current year. The German stock market would, no doubt, be able easily to absorb such new issues, as was demonstrated by the readiness with which a number of German State and Municipal Loans have been taken up, if only proper steps were taken to bring purchasers into the market, in the first place, by purchases of bonds for sinking fund purposes, for which provision has been made in adequate amounts, as far as the Imperial budget is concerned, and, in the second place and more particularly, with the assistance of the savings banks.

It would be a useless and mistaken effort to endeavor to bring about an improvement in bond quotations by coercive measures directed against the commercial banks. The funds entrusted to such banks should principally be invested in assets of a more liquid character, such as bills of exchange, short term loans, etc. Still more impracticable would it be to demand, as is the practice in Russia, that corporations of all classes should invest their reserves wholly or in part in Government loans, with the inevitable result that a large number of the 5,000 to 6,000 German companies would be compelled to borrow money or to increase their capital in order to be able to invest their working reserves in the purchase of Government bonds. Should, however, the course pursued by some of the Federal States be generally adopted, by which all the savings banks would be required to invest a portion of their deposits in German Government Bonds, the desired improvement in the market for such securities would certainly result from such investment demand. The German savings banks handle deposits three times larger in amount than the total deposits of the other banks. If a considerable part of the new deposits, averaging about \$143,000,000 annually, should be invested in government securities, the savings institutions would not only gradually attain the greater convertibility of assets of which they stand in urgent need, but these purchases would, as is the case everywhere abroad, provide the main support to the market for our own government securities at home.

It is a recognized fact that, aside from the increase of the public debt by reason of the Transvaal war, the heavy decline in British Consols is mainly to be ascribed to the decreased purchases by the English Savings Bank Funds. These purchases in 1896 amounted to \$73,000,000 and declined to nil in subsequent years because of the permission granted to invest such savings bank deposits in colonial loans bearing a higher rate of interest. As a result of the decline of the price of British Consols there was a rise in the rate of interest for all municipal loans, mortgage bonds, etc., as has been the case in Germany.

At the end of the year the Deutsche Bank owned German Treasury Bills and Government Securities of the face value of \$30,415,595.

REAL ESTATE TAXATION.

The building activity during the past year suffered severely under the apprehension of Imperial taxation of the unearned increment. We fear that this tax will restrict the business and investment in real estate, that the proceeds of the tax will not be proportionate to the difficulties which will be met in its collection, and that, moreover, the losses sustained by the Empire through the curtailment of real estate transactions will outweigh the net income derived from such a tax. It is probable that this latest form of taxation will result in the crowding out of the smaller investors in real estate, and thus be similar in effect to the law regulating the Bourses.

EARNINGS AND OPERATIONS.

The Bank's Gross Profits have again risen considerably, mainly under the head of Commissions. On the other hand, general expenses also show a large increase which is of a permanent nature. Included in the expenses is special expenditure incurred in connection with the newly established Branches at Constantinople and Brussels, and also for the first time our contributions, amounting to \$221,144.91, to our Employees' Pension Fund.

We propose the payment of the usual dividend of 12½ per cent. and to carry the balance of \$492,235.70 forward to the new account, being an increase of \$214,625.91 over the balance of profits carried forward last year.

Our turnover attained the figure of \$26,690,000,000, as against \$24,233,000,000 in the preceding year. The funds entrusted to us by our clients have largely increased during the year under review. On the other hand, we have taken care to increase our liquid assets so that they cover over 67 per cent. of our total liabilities, the percentage being somewhat higher than in the preceding year. If we include Loans on Merchandise among the liquid assets, the percentage would work out at over 77 per cent.

Oversea business was brisk. All our old Branches have given very good results. At Wiesbaden the Bank premises, which up to now have been rented, have been purchased by the Bank together with an adjoining site on which an extension of the premises is now being erected.

As we expected, the business of our Branch at Constantinople is developing slowly, but on a sound basis. The new offices at Galata are now in use. Our Branch at Brussels has made good progress with its organization and has extended its clientèle. The heavy expenditure connected with the establishment of this Branch has been written off.

We have attached to this report a statistical chart showing the development of our institution and demonstrating in particular the renewed progress made since trade commenced to recover from the effects of the general commercial crisis of 1907.

The total number of accounts kept with the Bank, including current and deposit accounts, at the end of the year was 238,701, as against 227,985 at the end of 1909.

The total number of accounts current kept at our Head Office, including those at our Deposit Departments in Berlin and the suburbs, was 172,995 at the close of the fiscal year, as against 167,661 in the previous year.

During the fiscal year the Head Office handled 3,956,702 drafts of the total value of \$3,756,826,505; the average value of each draft was \$949.48, as against \$948.98 in the preceding year.

Our staff has increased during the past year from 5,384 to 5,816, the increase being largely due to the establishment of our Branches at Constantinople and Brussels.

We have paid stamp duties in 1910 for rates and taxes \$798,138 on our own account, and \$1,080,366 for account of customers.

The effects of the stamp tax on the use of checks have not yet been overcome. At our Berlin Deposit Departments alone 220,000 less checks were paid than last year; the number of checks paid through clearance shows a similar falling off, which proves that the decrease in check transactions is not confined to our institution.

For the payment of the "talon" tax the amount of \$95,238.10 was again set aside from the net earnings of the fiscal year.

A higher amount than in the preceding year, viz., \$586,273, has been written off Bank premises in order to make due allowance for the depreciation in value which arises when existing buildings standing on sites acquired for the extension of our Head and Branch Offices are demolished preparatory to the erection of new premises. The outlay of \$184,989 on new furniture, etc., has also been charged entirely against the profits of the year.

The benefits accruing from membership in the "Beamtenfürsorge-Verein der Deutschen Bank" (Pension Fund for Employees of the Deutsche Bank) were extended to the employees of our foreign branches. Permission to join was also granted to the employees of the Banco Aleman Transatlantico as well as of the Deutsche Treuhand-Gesellschaft. At the present time the society has 5,593 insured members. The contribution of the Deutsche Bank for the first fiscal year, comprising a period of eleven months, amounted to \$221,144.91, and in 1911, on the basis of the present membership, will reach the sum of \$285,000.

In the public interest we consented, jointly with other institutions, to sacrifice a sum of about \$28,500 for the benefit of the suffering creditors of the "Niederdeutsche Bank"; the exact amount has not yet been fixed, but it has been written off by us in round figures.

The bi-monthly statements regarding the status of the leading Berlin banks, which are published at stated intervals, have also been adopted by many provincial banks. Negotiations are now pending with a view to bringing about greater uniformity in the arrangement of these statements and adding further details to the intermediary balance sheets.

Our Profit and Loss Account includes the dividends corresponding to the year 1909 and collected in 1910 on our holdings of shares in the

	<i>Dividend, per cent.</i>		<i>Dividend, per cent.</i>
Banco Aleman Transatlantico	9	Privatbank zu Gotha	7
Bergisch-Märkische Bank	8½	Württembergische Vereinsbank	7
Schlesischer Bankverein	7½	Niederlausitzer Kredit & Sparbank	5
Hannoversche Bank	7½	Oldenburgische Spar & Leihbank	9
Essener Credit-Anstalt	8½	Süddeutsche Bank	6
Essener Bankverein	7	Mecklenburgische Hypotheken & Wechselbank	14
Rheinische Creditbank	7	Deutsche Treuhand-Gesellschaft	15
Deutsch-Ostafrikanische Bank	9¾		

These institutions show without exception good and healthy development. Our investments in shares of allied banks have decreased by about \$475,000.

The Banco Aleman Transatlantico again had a good year and distributes a dividend of 9 per cent.; it will shortly extend its sphere of activity to Brazil, preparations with that end in view having been in progress for some time past.

The railways in Turkey in which the Bank is interested have worked well during the year under review. Thanks to a splendid crop in Asia Minor, but also in consequence of greater freedom enjoyed under the new régime, increased receipts have accrued to the Government as well as to the railway companies, while on the other hand the Ottoman Government's contribution under its kilometric guarantees has been correspondingly reduced. The Macedonian Railway Company was able to pay over to the Government a considerable share in profits made in excess of the guaranteed earnings.

The Ottoman Railway Company of Anatolia will again distribute a dividend of 5 per cent. and will besides be in a position to replenish the reserve fund, which had to be drawn upon in consequence of the crop failures in the three preceding years. The rolling stock, as well as the elevator and harbor accommodations at Haidar-Pasha, were scarcely able to cope with the heavy traffic after the harvest. In the course of the year under review the conversion of the 5 per cent. bonds of the Company—exceeding \$29,000,000—into bonds bearing interest at $4\frac{1}{2}$ per cent., was successfully carried out.

Good progress is being made with the irrigation of the plain of Conia on the first section of the Bagdad Railway. The Ottoman Government has requested us to make surveys for a similar undertaking on a larger scale in connection with the Cilician Plain. While in the German Empire about one-quarter of the soil is devoted to woods and forest, thus almost precluding total crop failures, the Turkish farmer is threatened with either drought or inundation. Artificial irrigation alone can meet this evil and fertilize the soil, large tracts of which are now lying waste.

The Bagdad Construction Company has commenced its task from various starting points simultaneously. The section across the Taurus Range has been pushed forward from Bulgurlu, the present terminus, and the construction of the roadbed has already passed the highest point. From Adana in the Cilician Plain, construction is proceeding to the west toward the Taurus Mountains and to the east toward the Amanus Range. At Aleppo work could not be started before the last quarter of the year under review, owing to the frequent changes which the Turkish authorities wished to effect in the route of the line, and it is only now, two years and a half after the conclusion of the contract, that a final settlement of the question has been reached. The 4 per cent. Ottoman Bagdad Loan Series II was successfully issued in the course of the past year, and the funds thereby placed at the disposal of the Company will suffice to carry on the work for the next two years. The Mersina-Tarsus-Adana Railway Company, owing to the general activity as well as to the traffic connected with the construction of the Bagdad Railway, has been working up to the full limits of its capacity.

The Oriental Railways Company is now registered under Turkish law and has transferred its Head Office to Constantinople; the traffic receipts for the year were highly satisfactory.

If the meeting of the Stockholders approve our proposals, our reserve funds shown on the Balance Sheet will include the following:

1. Ordinary Reserve A	\$15,806,674 12
2. Ordinary Reserve B.....	8,184,899 85
3. Current Account Reserve....	1,670,631 50
Total	\$25,662,205 47

equal to 53.89 per cent. of the share capital of \$47,619,047.

PERSONNEL.

We deeply regret to have to report the death of three members of our Supervisory Board—Messrs. Th. Menz of Dresden, Georg Lücke of Hanover and Adolf Oetling of Hamburg. We have also to deplore the death of Messrs. Johann Smidt of Bremen and Carl Testa of Constantinople, both respectively members of the Local Advisory Boards at these places.

Mr. Paul Jonas, who was a member of our Board of Management from 1881 to 1886, when he joined the Supervisory Board, has retired, owing to advancing age.

Mr. Berthold Naphtali, hitherto a Sub-Manager of the Head Office, has been appointed a member of the Board of Management.

BERLIN, February, 1911.

A. VON GWINNER,
E. HEINEMANN,
DR. K. HELFFERICH,
C. KLÖNNE,
P. MANKIEWITZ,
C. MICHALOWSKY,
B. NAPHTALI,
G. SCHRÖTER,

Managing Directors of the Deutsche Bank.

The Board of Supervisors had the foregoing report of the Managing Directors examined by their Audit Committee with reference to the financial status of the Bank and its condition, and approves the proposals made by the Board of Directors.

THE BOARD OF SUPERVISORS,

WILHELM HERZ.

BERLIN, March 4, 1911.

DEUTSCHE BANK

CONDENSED BALANCE SHEET, DECEMBER 31, 1910

M. 4.20—\$1.00.

ASSETS.		LIABILITIES.	
Cash	\$21,924,260 68	Capital Stock	\$47,619,047 62
Foreign Coin, Coupons and Drawn Bonds in course of Collection....	11,176,360 30	Reserve Funds	25,172,896 35
Cash Balances with Banks and Bankers	12,683,139 51	Deposits	365,390,874 29
Bills Receivable	147,952,545 62	Bills Payable	62,074,358 00
German Treasury Bills	8,976,275 64	Unclaimed Dividends	6,934 29
Stock Exchange Loans	80,131,587 53	Cheques Outstanding	3,556,417 67
Government, Railway and other Investments	11,406,392 04	Reserve for talon-tax	190,476 19
Syndicates	9,398,853 60	Items in transit between Main Office and Branches	321,082 58
Shares of Allied Banks	16,788,578 56	Dr. G. von Siemens Pension Fund	1,783,585 47
Advances secured by Collateral	118,341,036 25	Profit and Loss	7,750,234 00
Debtors in Current Accounts	24,155,874 34		
Loans on Merchandise	43,990,668 82		
Investments of Dr. G. von Siemens Pension Fund	242,380 95		
Bank Premises	6,697,952 38		
Furniture and Fittings	24		
	<u>\$513,865,906 46</u>		<u>\$513,865,906 46</u>

PROFIT AND LOSS ACCOUNT

December 31, 1910

To General Expenses (including Taxes)	\$6,381,205 08	By Balance from 1909	\$277,609 80
Reserve for talon-tax	95,238 10	Gross Profit for 1910:	
Amount written off Bank Premises	586,273 21	Interest, Discount, Dividends and Exchange	\$8,227,667 07
Amount written off Furniture	184,989 89	Commission	4,258,883 38
Net Profit	7,750,234 00	Profit on Investments and Sundries	2,233,780 03
	<u>\$14,997,940 28</u>		14,720,330 48
			<u>\$14,997,940 28</u>

The foregoing Balance Sheet and Profit and Loss Account has been examined and found to be in conformity with the Books of the Deutsche Bank.

Audit Committee of the Board of Supervisors.

Berve, Büsing, Wallich, Zwißgmeier.

Berlin, March 4, 1911.

DEUTSCHE BANK,

by

A. von GWINNER, E. HEINEMANN, DR. K. HELFFERICH,

C. KLÖNNE, P. MANKIEWITZ, C. MICHALOWSKY,

B. NAPITALI,

G. SCHRÖTER.

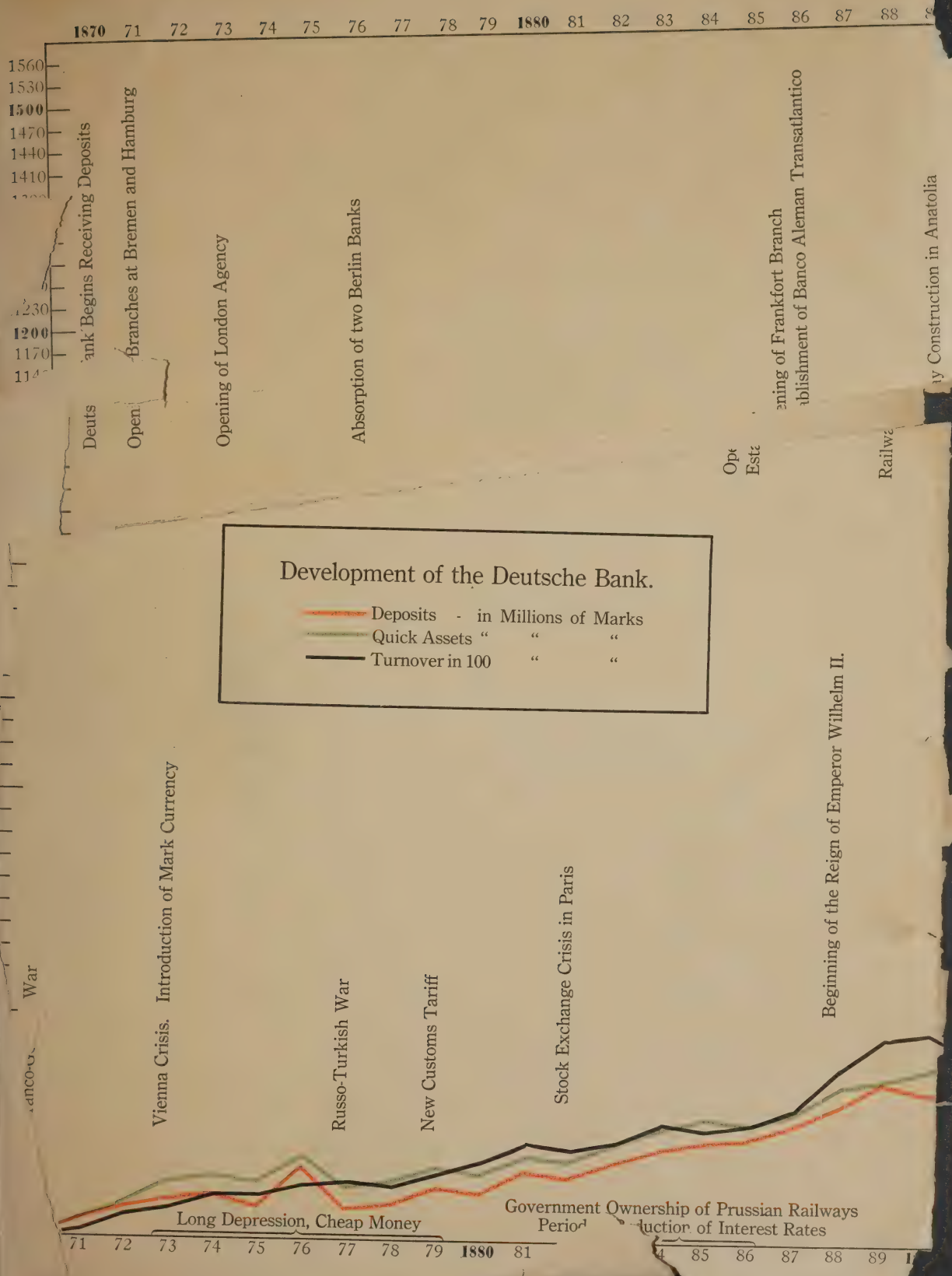


Table Showing the Development of the I

M. 4.20=\$1.00

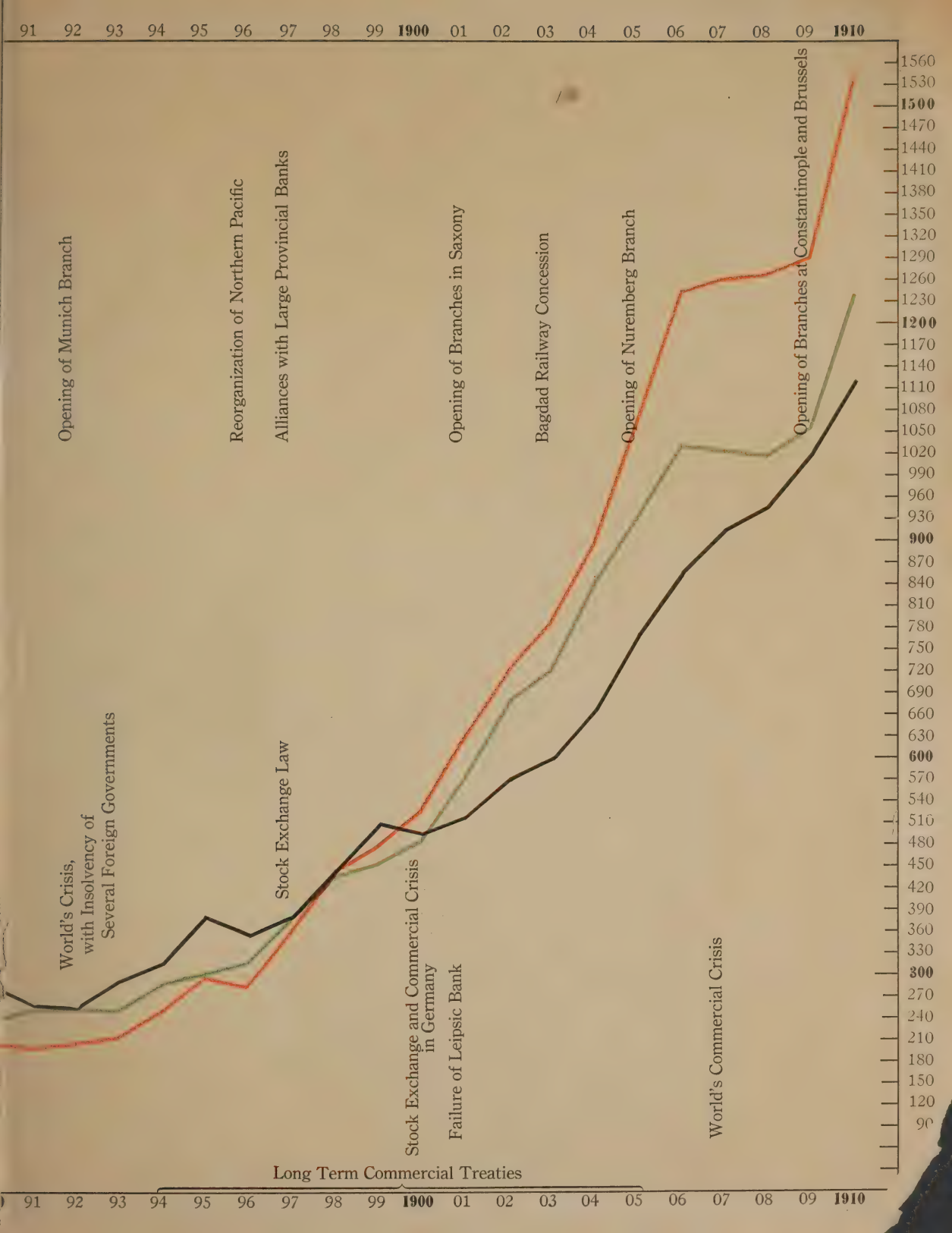
YEAR.	Cash, Coupons, Bills Receivable, Balances with Bankers, Stock Exchange Loans and Investments in Stocks.	Deposits.	Advances Secured by Collateral Security and Merchandise.	Debtors on Current Account.	Bills Payable.	Syndicates.
1870	\$1,352,545	\$560,063	\$770,757	\$513,838	\$586,605
1871	5,414,101	5,457,638	2,795,764	1,863,843	1,809,742	\$197,841
1872	9,905,452	9,207,422	6,629,153	4,355,567	5,598,117	414,008
1873	17,346,264	12,077,870	5,996,411	2,973,184	7,207,130	451,167
1874	19,389,490	13,566,021	4,171,744	4,154,196	8,955,943	259,575
1875	17,170,906	10,368,379	5,846,540	4,069,325	10,113,134	593,864
1876	26,279,324	22,965,339	8,407,760	3,887,633	9,771,033	409,668
1877	15,500,752	9,892,061	9,835,811	3,190,603	9,246,879	301,711
1878	17,518,435	11,540,761	10,184,990	3,123,285	10,483,896	904,313
1879	22,066,629	16,329,812	13,341,667	3,375,743	11,477,534	699,779
1880	20,451,660	15,223,450	11,783,536	3,892,744	10,912,998	1,652,928
1881	26,408,026	22,017,063	15,305,342	5,056,106	12,908,622	3,422,792
1882	25,294,398	25,294,381	15,868,905	4,567,715	10,985,828	3,509,638
1883	30,780,271	25,648,611	19,062,015	6,689,567	16,440,071	3,544,286
1884	35,694,571	29,114,374	20,410,861	8,691,333	19,918,758	2,691,009
1885	39,170,738	31,527,226	21,801,810	6,637,182	19,272,049	2,088,886
1886	37,983,729	32,811,675	21,801,753	6,385,893	19,703,194	4,972,918
1887	41,857,616	37,866,678	22,782,196	7,184,273	21,148,045	5,607,092
1888	49,623,792	44,271,361	25,387,369	10,125,587	22,360,044	5,117,455
1889	51,820,696	51,743,481	33,105,146	9,666,694	25,190,898	7,073,859
1890	55,894,781	48,392,309	27,420,229	8,109,931	24,065,827	7,079,584
1891	59,244,819	47,689,998	20,694,933	6,687,349	20,239,997	6,405,200
1892	60,131,796	49,011,535	24,613,967	7,118,666	22,879,447	4,952,279
1893	58,991,122	51,060,385	25,183,197	8,735,988	22,934,603	5,189,250
1894	68,064,065	59,673,934	26,418,787	8,091,351	22,348,920	3,297,054
1895	70,704,545	70,439,512	42,172,606	11,175,591	29,165,835	7,366,220
1896	74,999,479	68,385,143	36,848,094	10,715,885	27,772,973	8,067,323
1897	90,185,214	85,647,370	43,429,817	13,968,332	31,074,231	7,532,040
1898	104,033,180	105,730,564	48,360,213	14,760,070	30,557,194	8,540,105
1899	108,061,222	114,273,145	55,284,907	17,324,783	33,781,799	7,506,547
1900	115,750,948	126,468,122	58,227,105	17,096,799	33,602,691	8,346,830
1901	136,569,824	150,061,692	60,534,747	17,260,041	33,909,742	8,453,694
1902	160,637,865	171,542,006	63,094,510	16,919,191	34,595,597	7,703,665
1903	171,943,804	187,946,281	74,887,001	18,410,544	42,811,445	7,871,054
1904	200,001,188	212,760,493	79,598,832	22,862,432	44,067,429	5,610,446
1905	221,900,723	253,414,320	91,121,946	27,900,258	47,105,500	8,420,931
1906	245,176,401	297,796,221	112,662,169	38,153,256	53,835,735	10,795,606
1907	243,948,744	301,048,981	121,380,507	42,155,759	62,747,111	12,720,925
1908	241,477,517	302,099,108	122,774,325	38,320,841	55,225,816	8,771,697
1909	251,093,538	308,305,273	135,087,002	32,637,869	59,476,728	6,778,536
1910	294,250,561	365,390,874	147,038,812	39,448,768	62,074,358	9,398,853

utsche Bank, Berlin

<i>Capital.</i>	<i>Reserve Fund.</i>	<i>Dividends, Per Cent.</i>	<i>Turnover.</i>	<i>YEAR.</i>
\$3,571,428	\$8,623	5	\$56,986,396	1870
7,142,857	38,565	8	226,534,532	1871
10,714,285	167,526	8	688,399,258	1872
10,714,285	311,664	4	896,462,064	1873
10,714,285	557,516	5	1,311,702,283	1874
10,714,285	817,740	3	1,312,523,008	1875
10,714,285	1,050,376	6	1,698,213,590	1876
10,714,285	1,156,531	6	1,744,102,821	1877
10,714,285	1,303,078	6½	1,697,583,539	1878
10,714,285	1,582,558	9	2,103,509,001	1879
10,714,285	1,851,528	10	2,496,308,987	1880
14,285,714	2,227,157	10½	3,071,179,414	1881
14,285,714	3,289,555	10	2,870,122,329	1882
14,285,714	3,424,258	9	3,144,156,382	1883
14,285,714	3,645,169	9	3,726,421,693	1884
14,285,714	3,749,533	9	3,606,666,539	1885
14,285,714	3,860,145	9	3,852,535,563	1886
14,285,714	3,966,612	9	4,300,671,238	1887
17,857,143	5,502,043	9	5,567,093,417	1888
17,857,143	5,679,159	10	6,696,488,330	1889
17,857,143	5,857,165	10	6,739,077,856	1890
17,857,143	5,991,132	9	6,085,532,533	1891
17,857,143	6,093,467	8	6,031,255,891	1892
17,857,143	6,196,495	8	6,941,111,597	1893
17,857,143	6,331,162	9	7,527,901,382	1894
23,809,524	9,198,664	10	9,023,937,500	1895
23,809,524	9,440,721	10	8,451,686,908	1896
35,714,286	10,779,914	10	9,026,990,644	1897
35,714,286	11,061,459	10½	10,570,258,174	1898
35,714,286	11,440,290	11	12,088,163,146	1899
35,714,286	11,747,681	11	11,850,830,211	1900
35,714,286	12,057,820	11	12,337,050,167	1901
38,095,238	13,162,689	11	13,519,860,913	1902
38,095,238	14,054,870	11	14,200,025,272	1903
42,857,143	18,253,060	12	15,927,888,414	1904
42,857,143	18,666,324	12	18,382,282,225	1905
47,619,047	23,809,524	12	20,378,712,883	1906
47,619,047	24,245,694	12	21,812,155,727	1907
47,619,047	24,690,239	12	22,493,028,873	1908
47,619,047	25,172,895	12½	24,233,477,825	1909
47,619,047	25,662,205	12½	26,690,797,179	1910

THE LIBRARY
OF THE
UNIVERSITY OF ILLINOIS

YEAR.	<i>Cash, Coupons, B Receivable, Balances Bankers, Stock Exc. Loans and Investments in Stocks.</i>
1870	\$1,352,54
1871	5,414,10
1872	9,905,45
1873	17,346,26
1874	19,389,49
1875	17,170,90
1876	26,279,32
1877	15,500,75
1878	17,518,43
1879	22,066,62
1880	20,451,66
1881	26,408,02
1882	25,294,39
1883	30,780,27
1884	35,694,57
1885	39,170,73
1886	37,983,72
1887	41,857,61
1888	49,623,79
1889	51,820,69
1890	55,894,78
1891	59,244,81
1892	60,131,79
1893	58,991,12
1894	68,064,06
1895	70,704,54
1896	74,999,47
1897	90,185,21
1898	104,033,18
1899	108,061,22
1900	115,750,94
1901	136,569,82
1902	160,637,86
1903	171,943,80
1904	200,001,18
1905	221,900,72
1906	245,176,40
1907	243,948,74
1908	241,477,51
1909	251,093,53
1910	294,250,56



In November last a financial combination headed by us and consisting of nearly all the leading German and Austro-Hungarian banks and banking firms took over the much discussed 4 per cent. Imperial Ottoman Loan guaranteed by the customs of Constantinople.

The Electric Elevated and Underground Railway Company of Berlin shows further good progress and a satisfactory dividend will be distributed.

For years we have been interested in the production of potash in Upper-Alsatia by the Amélie mine. The favorable development of this company induced the Aktien-Gesellschaft Deutsche Kali-Werke, a leading enterprise in the potash industry, with which we maintain friendly relations, to secure a controlling interest in the Alsatian potash works. Toward the end of the fiscal year the Board of Supervisors of the Deutsche Kali-Werke decided upon the purchase of a majority of the shares (kuxe) of the Amélie mine on terms very favorable to the former owners.

The Steaua Romana Company for the Petroleum Industry again distributed a dividend of 8 per cent., and its finances are in good condition. The German Petroleum Company declared the same dividend as last year, viz., 5 per cent., and has, at a considerable profit, sold its interest in the Kasbek Syndicate in Grosny (Caucasia).

Among new syndicate business in which we were interested, either as principal participants or as issuers, and the larger part of which was closed up during the fiscal year, we mention the following:

- 4% Loans of the German Empire and Prussia,
- 4% Loan of the German Protectorates,
- 4% Bavarian Loan and Bavarian Treasury Notes,
- 4% Loan of the State of Hamburg,
- 4% Loan of the Province of Pommerania,
- 4% Debentures of the Herzogl. Landeskredit-Anstalt Gotha,
- 4% Loans of the cities of Dortmund, Düsseldorf, Dresden (through the Dresden Branch), Elberfeld, Leipsic (through the Leipsic Branch), Liegnitz, Munich (through the Munich Branch), Posen, Schöneberg, Deutsch-Wilmersdorf and the Emscher Genossenschaft,
- 4% Mortgage Bonds of the Grundrenten- und Hypotheken Anstalt der Stadt Dresden,
- 4% Austrian Government Loan of 1910,
- 5% Loan of the Argentine Republic,
- 5% Supplemental Loan of the Tientsin-Pukow Railway,
- 4% Foreign Conversion Loan of Mexico of 1910,
- 5% Bonds of the Denver & Rio Grande Railroad Company,
- 5% Bonds of the St. Louis & San Francisco Railroad Company,
- 4% Loans of the Gesellschaft für elektrische Hoch- und Untergrundbahnen,
- 4½% Loans of the
 - Elektricitäts-Lieferungs-Gesellschaft,
 - Sächsische Elektricitäts-Lieferungs-Gesellschaft,
 - Boecker & Co. Kommandit-Gesellschaft,
 - C. Heckmann A.-G.,

Duisburger Maschinen A.-G.,
 Stahlwerke Richard Lindenberg A.-G.,
 Steffens & Nölle A.-G.,
 Dyckerhoff & Widmann A.-G.,
 A.-G. vormals Seidel & Naumann (through the Dresden Branch),
 Anhaltische Kohlenwerke,
 Gewerkschaft des Steinkohlenbergwerks Graf Schwerin,
 Gewerkschaft Victoria-Lünen,
 Aplerbecker Hütte Brüggemann,
 Weyland & Co. A.-G.,
 Neue Senftenberger Kohlenwerke A.-G.

5% Loans of the

Gewerkschaft Mont Cenis,
 Gewerkschaft Heldburg,
 Gewerkschaft Sachsen-Weimar,
 Gewerkschaft Siegfried I,
 Gewerkschaft Volkenroda,
 Gewerkschaft Weidtmannhall,
 Kaliwerke Friedrichshall,
 Gewerkschaft Neuhoof Kaliwerke,
 Kaliwerke Niedersachsen.

Shares of the

Ascherslebener Maschinenbau A.-G. vorm. W. Schmidt & Co.,
 Internationale Camera A.-G.,
 Tränkner & Würker Nachf. A.-G. (through the Leipsic Branch).

New shares of the Speicherei und Spedition-Gesellschaft (through the Dresden Branch).

Organization of the

Tempelhofer Feld A.-G. für Grundstücks-Verwertung,
 Terrain A.-G. Holzhausenpark (through the Frankfurt Branch).

Introduction at the Stock Exchange of

4% Loan of the City of Jena,
 4% Mortgage Bonds of the Neue Westpreussische Landschaft,
 4% Municipal Bonds of the Kur- und Neumaerkische Ritterschaftliche Darlehnskasse,
 4% Mortgage Bonds of the Preussische Boden-Credit Actien-Bank and the Hypotheken-Bank in Hamburg,
 Shares, Series II, of the Elektrische Licht und Kraftanlagen A.-G.,
 Shares of the Hohenloherwerke A.-G. and of the Gebrüder Goedhard A.-G.

Increase of Capital of the

Commerzbank in Lübeck,
 Danziger Privat-Aktien-Bank,
 Deutsche Hypothekenbank in Meiningen,

Deutsche Vereinsbank,
 Essener Credit Anstalt,
 Hannoversche Bank,
 Bank für elektrische Unternehmungen,
 Russische Bank für auswärtigen Handel,
 Sibirische Handelsbank,
 Allgemeine Elektrizitäts-Gesellschaft,
 Bergmann Elektrizitäts-Werke A.-G.,
 Brown Boveri Co. A.-G.,
 Compañia Barcelonesa de Electricidad,
 Deutsch-Ueberseeische Elektrizitäts-Gesellschaft,
 Gesellschaft für elektrische Beleuchtung vom Jahre 1886 St. Petersburg,
 Rheinisch-Westfälisches Elektrizitätswerk,
 Bochumer Verein für Bergbau und Gussstahlfabrikation,
 Braunkohlen und Briketwerke Roddergrube A.-G.,
 Deutsch-Luxemburgische Bergwerks- und Hütten-A.-G.,
 Gebhard & Co. A.-G.,
 Mannesmannröhren-Werke,
 Niederlausitzer Kohlenwerke,
 Phönix A.-G. für Bergbau und Hüttenbetrieb,
 Rheinische Stahlwerke,
 Rombacher Hüttenwerke,
 Deutsche Kaliwerke,
 and various other companies.

Of old Syndicate Business there was liquidated during the fiscal year:

4% Württemberg State Loan,
 4% Imperial Ottoman Government Loan of 1909,
 Shares of the Mitteldeutsche Privatbank,
 5% Debentures of the Victoria Falls & Transvaal Power Co.,
 Shares of the Kraftübertragungswerke Rheinfelden,
 4% Loan of the A.-G. für Hüttenbetrieb Meiderich,
 4½% Loan of the Georg Marien Bergwerks- und Hütten-Verein.

Shares of the

Hubertus Braunkohlen A.-G.,
 Maschinenfabrik Buckau,
 Deutsche Tiefbohr-A.-G.,
 Verein Chemischer Fabriken,
 Varziner Papierfabrik,
 F. H. Hammersen A.-G.,
 Voigt & Haeffner A.-G. (through the Frankfort Branch),
 Allianz Versicherungs-A.-G.,
 Münchener Rückversicherungs-Gesellschaft.

Our Syndicate Account (main office and branches) consisted at the end of the year of		
46 Participations in state, municipal and railway enterprises....	\$3,351,572	24
255 Participations in shares and bonds of various companies.....	4,245,088	17
24 Participations in real estate enterprises.....	1,802,193	19
Total.....	\$9,398,853	60

The Account of Securities Owned (main office and branches) comprises		
Government and municipal securities as well as German mortgage bonds of 131 different issues.....		
	\$10,010,169	78
Railroad and industrial bonds of 57 varieties	367,713	94
Railroad, bank and industrial shares of 169 varieties.....	1,017,926	54
Miscellaneous.....	10,581	78
Total.....	\$11,406,392	04

The Securities Account comprises German State securities of the book value of \$8,857,105.64, all of which are represented by securities listed on the Stock Exchanges, excepting a few unlisted holdings that are offset by a corresponding reserve.

DISTRIBUTION OF PROFITS.

Including the balance of surplus of \$277,609.80, carried forward from 1909, and after charging off \$771,263.10 for depreciation on buildings and furniture and setting aside \$95,238.10 for the talon tax, the profits for 1910 amounted to..... \$7,750,234 00

Of this the Shareholders receive 6 per cent. dividends on \$47,619,000
(M.200,000,000) (pursuant to paragraph 36b of the statutes).... 2,857,142 85

Of the remaining \$4,893,091 15

We propose that there be appropriated

Ten per cent. for the Ordinary Reserve B.	\$489,309	11
For remunerations to the employees.....	583,333	33
		<u>1,072,642 44</u>

Of the balance amounting to..... \$3,820,448 71

After deducting \$492,235.70, being the amount carried forward to new account, the Board and Local Committees, pursuant to paragraph 36d of the statutes, receive 7 per cent. as participation in profits 232,974 91

We propose that of the remaining..... \$3,587,473 80

An additional dividend of 6½ per cent. (making 12½ per cent. in all) be distributed, amounting to..... 3,095,238 10

And there will be carried forward to new account a balance of... \$492,235 70